TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

April 16, 2002 LB 989

administration, and effect upon the state's economy. going to ask that the persons charged with the study propose innovative solutions to us, for meeting, not only the current needs, but projected needs. And again, remember that we've had discussions about various components of the state budget that are growing faster than others. In fact, we have one component, if you divide it into broad categories, that is growing faster than revenues are growing. I don't, frankly, know how we would adapt a tax structure that could grow as fast as that particular category; aid to individuals. However, when you blend that category with others, obviously, we've got to find a revenue stream that will match both current and future needs, on a long-term basis, even though we may have year-to-year We want to identify economic activities that are difficulties. beneficial or detrimental to the state's economy, and that should be encouraged or discouraged. Remember, we use economic development incentives in a kind of a broad-based fashion now. There are things in the code...our tax code that both "incent" and "disincent" activities. We should carefully review those act...those provisions in our tax code. We need to adopt a conceptual framework for adopting current and future taxes. There are various principles of a... of good tax policy that should, perhaps, be employed. And we have attempted to employ those within the Revenue Committee for each change that is suggested to the rest of the Legislature. However, maybe we should have a little broader-based effort. And we also list the characteristics of a good revenue...system that would be considered during the course of the study. And then we would require a report, to the Legislature and the Governor, by December 31st of 2002, and December 31st of 2003. We, in the past, have occasionally had studies of Nebraska's tax structure. The most recent one is the Syracuse study that was commissioned in the eighties. It was conducted for us by University, hence the name Syracuse study. The studies can be useful to us. They can suggest changes that are appropriate in an ideal sense for us. It is always, of course, for us to adapt them to the practicalities of the moment, and to make use of But certainly it doesn't...I think it's them as we can. appropriate for us to occasionally do a broad-based review of Nebraska's tax structure, and to try to set some guidelines for the future, if we can do that. I would note that this activity